

Honolulu, Hawaii

April 4, 2014

RE: S.B. No. 2779
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2779, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FINANCIAL AUDIT OF THE STATE OF HAWAII BY THE LEGISLATIVE AUDITOR,"

begs leave to report as follows:

The purpose of this measure is to authorize the Department of Taxation to release confidential tax return information to the Office of the Auditor necessary for the Auditor to conduct its annual certified financial audit of the State.

The Department of Accounting and General Services provided testimony in support of this measure. The Office of the Auditor, Department of Taxation, and Department of the Attorney General provided comments.

Your Committee has amended this measure by:

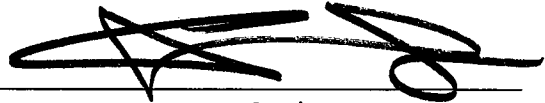
- (1) Specifying that the unlawful disclosure of certain confidential tax return information by officers or employees of the State, including the auditor or its agents, shall be punishable as a class C felony;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and



- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2779, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2779, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,

A handwritten signature in black ink, appearing to be 'SYLVIA LUKE', written over a horizontal line.

SYLVIA LUKE, Chair



HSCR 1517-14

Record of Votes of the Committee on Finance

| | | | | |
|---|----------------------------|-----------------|------|---------|
| Bill/Resolution No.: SB 2779, SD1 | Committee Referral: FIN | Date: 4/3/14 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure. | | | | |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) | | | | |
| FIN Members | Ayes | Ayes (WR) | Nays | Excused |
| 1. LUKE, Sylvia (C) | / | | | |
| 2. NISHIMOTO, Scott Y. (VC) | / | | | |
| 3. JOHANSON, Aaron Ling (VC) | / | | | |
| 4. CULLEN, Ty J.K. | | / | | |
| 5. HASHEM, Mark J. | / | | | |
| 6. ING, Kaniela | / | SYD | | |
| 7. JORDAN, Jo | | X | / | |
| 8. KOBAYASHI, Bertrand | / | | | |
| 9. LOWEN, Nicole E. | / | | | |
| 10. MORIKAWA, Dee | / | | | |
| 11. ONISHI, Richard H.K. | / | | | |
| 12. TAKAYAMA, Gregg | | | / | |
| 13. TOKIOKA, James Kunane | | | / | |
| 14. WOODSON, Justin H. | | | | / |
| 15. YAMASHITA, Kyle T. | | / | | |
| 16. FUKUMOTO, Beth | / | | | |
| 17. WARD, Gene | | | | / |
| TOTAL (17) | 10 | 2 | 3 | 2 |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s) | | | | |
| Vice Chair's or designee's signature: _____ | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | |